

DIRECTOR OF CENTRAL INTELLIGENCE  
**Security Committee**

SECOM-M-235

16 June 1980

Minutes  
Two Hundred and Thirty-first Meeting  
Wednesday, 11 June 1980, 1005-1218 Hours  
Room 1A07, Langley Headquarters Building

[REDACTED]  
Chairman  
Presiding

STATINTL

MEMBERS PRESENT

Mr. Karl Ackerman, Department of State  
Mr. Maynard Anderson, Office of Secretary of Defense  
Mr. Lloyd Dean, Federal Bureau of Investigation  
[REDACTED] Defense Intelligence Agency  
[REDACTED] tional Security Agency  
[REDACTED], Central Intelligence Agency  
Mr. D. Jerry Rubino, Department of Justice  
Mr. Dennis Southern, Department of Treasury  
Mr. Richard L. Welch, Department of the Navy

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ALTERNATES PRESENT

Mr. Gerald L. Berkin, Department of the Navy  
[REDACTED] National Security Agency  
Mr. Frank Dill, Department of the Army  
Mr. Martin J. Dowd, Department of Energy  
Mr. Dan Downum, Federal Bureau of Investigation  
Mr. John T. Poirier, Office of Secretary of the Air Force,  
Space Systems  
Mr. Edward P. Walsh, Department of Treasury

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ALSO PRESENT

STATINTL [redacted] Central Intelligence Agency  
[redacted] National Security Agency  
\* [redacted] Central Intelligence Agency  
Mr. Cyril F. Frank, Justice/Drug Enforcement Agency  
STATINTL [redacted] Central Intelligence Agency  
Mr. Vaughn Holcombe, Department of Treasury  
Mr. Louis C. Kachulis, Department of State  
STATINTL [redacted] Central Intelligence Agency  
Ms. Patricia Kiley, Department of the Navy  
Mr. David McCabe, Department of State  
Mr. Robert Merchant, Department of Treasury  
STATINTL [redacted] Central Intelligence Agency  
Mr. Robert A. O'Brien, Department of Energy  
STATINTL Mr. Joe Pell, Department of the Army  
[redacted], Defense Intelligence Agency  
Mr. William H. Randolph, Department of Commerce  
Lt. Col. Richard Schoof, Department of the Air Force  
STATINTL [redacted] Central Intelligence Agency  
Mr. Donald Stigers, Department of State  
STATINTL [redacted] Central Intelligence Agency  
[redacted] Executive Secretary, Security Committee  
[redacted] and [redacted] Community STATINTL  
Security Group

\* Present for part of meeting

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PRELIMINARY COMMENTS

2. At the Chairman's invitation, [ ] of the Office of General Counsel briefed the committee on the case of Jane Doe v. U.S. Civil Service Commission (483 Fed. Sup. 539, 1980). This involved a woman applicant for a White House fellow position who was turned down based on adverse information generated during a background investigation. She later offered rebuttal data and sought deletion of the derogatory material. When her request was denied, she litigated. The court held that when derogatory information in a government investigatory file is disseminated, the subject must have a hearing to rebut the data and confront those who provided it. Alternatively, the government may delete the information. The court also held that she could sue for money damages based on deprivation of constitutional rights. Liability of government officials sued would be contingent on it being established that they were responsible for the deprivation and that they had not acted in good faith. [ ] this ruling raised very troublesome issues for personnel security investigations. He advised that Community general counsels would meet very soon to examine the case as it applied to national security matters, and to propose remedies (e.g., an Executive Order). He speculated that there would have been a different ruling had the case involved national security information. Mr. [ ] said NSA had stopped providing information from its files to outside agencies because of this ruling. He asked that an immediate policy be issued by the DCI to avoid dangerously varying Community practices in this subject area. [ ] observed that this ruling should not affect use of data developed in polygraph examinations, as the subject is always the source of any derogatory information.

3. The Chairman advised that [ ] would be arranged visits by him to NFIB Principals. [ ] asked for members' assistance in this, and said he believed these visits would give him a better basis for planning Committee actions so as to satisfy varying Community needs.

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STATINTL 4. The Chairman referred to the comments at the last meeting by [ ] of the Office of Legislative Counsel on the proper marking of intelligence material provided the Congress. Noting members' agreement at that time for the staff to prepare a guidance paper on this, [ ] advised that a proposed memorandum for the NFIB had been drafted and sent to the DCI for signature. STATINTL

STATINTL 5. The Chairman advised that Colonel Robert A. Shiver would be the new Air Force member and chairman of the Compartmentation Subcommittee. [ ] also noted that Mr. [ ] (CIA) had been assigned to the Committee staff. Mr. Ackerman introduced Mr. Kachulis as State's new Assistant Director of Personnel Security and Investigations. STATINTL

STATINTL 6. The Chairman noted that copies of the latest version of the APEX nondisclosure agreement had been distributed to members. He advised that it had been developed by representatives of the DCI's Office of General Counsel in cooperation with counsels in other agencies. [ ] noted that it was a broader treatment of the subject than had been initially envisaged. Some members said there were unresolved issues concerning this version. [ ] asked members to inform [ ] of their particular concerns about this agreement. STATINTL

STATINTL 7. The Chairman asked those members who had not yet replied to the request for positions on whether the draft physical security standards for SCI facilities should be "Uniform" or "Minimum" to do so promptly. (Seven agencies - State, DOE, DIA, Air Force, Army, Navy and Treasury - have stated their positions on this. All opted for "Uniform"). At [ ] request, [ ] scheduled this question for decision at the July regular meeting of the Committee. STATINTL

8. There being no requests for change to the minutes of the 14 May meeting, the Chairman advised that they stood approved as written.

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ITEM 1: Investigative Standards Working Group Report

The Chairman introduced Mr. McCabe and thanked him and his working group for their efforts in completing a difficult and time consuming assignment. [ ] advised that the primary agenda item of this meeting was a briefing by Mr. McCabe on the group's final report. The group's recommendations have been provided members separately by the Chairman. He has asked for members' comments to the staff by mid-July and suggested a special meeting shortly thereafter to discuss the report and its recommendations. STATINTL

The report presents the results of a survey of background investigations adjudicated by Intelligence Community agencies over a four month period in 1978-79. Cases were examined to evaluate the productivity of sources and of various periods of coverage in background investigations.

Mr. McCabe opened by saying his purpose was to highlight for members some aspects of the report and to answer their questions. He discussed significant charts as a means of describing report methodology and statistical approaches, and of illustrating analytical techniques used. He said the survey dealt with 5,204 cases, of which 2,213 involved access to SCI and 841 to Top Secret information. He noted that the average age of investigative subjects was 31 and the average period covered by investigation was 7.8 years. He said adverse data was developed in 1,261 of the cases, and that 254 of these were resolved against the subjects. Matters he discussed included variations among agencies in turndown rates; categories of data supporting turndowns; relative productivity indexes for different types of investigative checks; periods of coverage needed to capture pertinent data (this gives managers a tool to weigh investigative costs against security risks); source productivity for data used in adverse determinations; and relative productivity for such types of coverage as personal interviews. He observed that analysis of the productivity of various sources for information relevant to adverse determinations clearly showed the high value of the polygraph. He invited attention to the finding that establishment of a standard 15-year period of coverage for background investigations would have entailed a maximum cost increase of 32% over the whole 5,204 case sample. This was so, he said, because the cost of several investigative elements is constant regardless of the period of coverage (e.g., National Agency Checks, inquiries to listed references, credit checks).

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Mr. McCabe noted that the working group's recommendations had been transmitted separately (attachment to SECOM-D-234, dated 5 June 1980). He asked Committee members to review them in conjunction with the report itself. He thanked [redacted] [redacted] for their support in reviewing and analyzing data and in helping prepare the report.

ITEM 2: New Business

Mr. Rubino advised for members' information of a problem Justice had encountered with GSA performance in installing high line security alarms. He said a later check showed that some 80% of what was installed was not high line security. He suggested this raised the possibility that other agencies which relied on GSA for such installations may not have gotten what they asked and paid for.

ITEM 3: Next Meeting

The Chairman set the next regular meeting of the Committee for 9 July 1980 at CIA Headquarters. He proposed a separate meeting after that to discuss recommendations from the Personnel Security Survey report. (Particulars on this meeting will be provided later).

STATINTL

[redacted]  
Executive Secretary

DD/A Registry

80-1411

NATIONAL FOREIGN INTELLIGENCE BOARD

Executive Registry

80-7220

10 JUN 1980

MEMORANDUM FOR NATIONAL FOREIGN INTELLIGENCE BOARD

SUBJECT: Marking of Material Provided the Congress

1. Variation in Intelligence Community practices on marking sensitive intelligence material provided the Congress indicates the need for policy guidance.
2. Sensitive Compartmented Information (SCI) being prepared for release to members of Congress and Congressional committees shall be marked with all appropriate codewords, project indicators or channel markings. Releasing agencies shall ensure, through their offices of legislative counsel or comparable elements, that members' personal staff and committee staff have clearances and SCI access authorizations appropriate for receipt of the material involved.
3. Material bearing on intelligence operations being similarly prepared for release shall be marked with the appropriate classification and, when it contains information on sources and methods, the "Warning Notice - Intelligence Sources and Methods Involved" marking specified by the Information Security Oversight Office Directive No. 1, dated 1 October 1978. When warranted by the contents, other markings authorized by DCID 1/7 shall be used in place of, or in addition to, the "Warning Notice."
4. The term "sensitive" may not be used instead of, or in addition to, SCI indicators, the "Warning Notice" marking, or markings authorized by DCID 1/7. Section 1-503 of Executive Order 12065 proscribes use of unofficial designators, of which "sensitive" is an example, with or in lieu of authorized national security classifications.

SUBJECT: Marking of Material Provided the Congress

5. Questions on application of this policy should be directed to the DCI Security Committee.

/s/ Stansfield Turner

STANSFIELD TURNER  
Chairman